

Medicare Rx Benefits FAQ

(Frequently Asked Questions)



This FAQ is designed to answer common questions and help you assess available options. It does not imply endorsement of any option by the Washington State Office of the Insurance Commissioner or SHIBA HelpLine.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 brings major changes to the Medicare program, including a new prescription drug benefit beginning in January 2006. Until then, Medicare is offering prescription drug discount cards starting June 1, 2004. An additional \$600 credit toward drugs is available to some low-income people. These benefits *may* be able to help some Medicare beneficiaries save on prescriptions until further changes take effect in January 2006.

This FAQ answers the following questions:

- ✓ **What is the Medicare prescription drug discount card?**
- ✓ **Can anyone get a Medicare prescription drug discount card?**
- ✓ **How much will the card cost?**
- ✓ **Can I have more than one Medicare prescription drug discount card?**
- ✓ **How much will the Medicare prescription discount card save me?**
- ✓ **Will the discount card cover all my prescription medicines?**
- ✓ **Can I use the Medicare prescription discount card at any pharmacy?**
- ✓ **How can I find out which cards cover my prescriptions?**
- ✓ **How do I decide which card is best?**
- ✓ **If I move or travel, can I use my Medicare prescription drug discount card elsewhere?**
- ✓ **Can I switch to a different discount card?**
- ✓ **How do I apply for a Medicare prescription drug discount card?**
- ✓ **What is the low-income credit?**
- ✓ **How do I apply for the low-income credit?**
- ✓ **How will the low-income credit work?**
- ✓ **What if I am denied the low-income credit?**
- ✓ **What if I have questions or need help filling out forms?**
- ✓ **What if I think a card is a fraud, or I have a complaint?**

NOTE: If you're viewing this document online as an Acrobat PDF, clicking on a question above will take you the page that answers that question.

What is the Medicare prescription drug discount card?

There actually is no single “Medicare card.” Medicare is contracting with many private companies to offer *Medicare-approved* discount prescription drug cards. Pharmacies, pharmaceutical benefit management companies, insurance companies, managed care plans, preferred provider organizations (PPOs), private fee-for-service (PFFS) plans, and other private organizations may offer a Medicare discount card.

In Washington state, up to 50 companies will be selling Medicare prescription drug discount cards. The list of companies is available from:

Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine
1-800-397-4422 www.insurance.wa.gov

CMS – The Centers for Medicare and Medicaid Services
1-800-MEDICAR www.medicare.gov

Can anyone get a Medicare prescription drug discount card?

Anyone enrolled in Medicare Part A and/or Part B is eligible to buy a discount card, *unless* they already have prescription drug coverage through Medicaid.

If you belong to a Medicare Advantage (formerly Medicare + Choice) plan—a private Medicare plan such as a managed care, preferred provider organization (PPO) or a private fee-for-service (PFFS) plan—you should check with the plan about any restrictions. The plan may pre-select a Medicare prescription discount card to offer its members. If so, that card may be your only choice for a Medicare prescription discount card (although you can still use any of the non-Medicare discount drug cards available.)

If your plan does not offer a Medicare prescription discount card, you are free to choose any prescription discount card—Medicare or other—that meets your needs.

People in Indian Health Services or some long-term care facilities (like nursing homes) can only choose from a limited selection of Medicare Rx discount cards. To find out which ones are available to you, check: www.insurance.wa.gov/publications/consumer/approvedlist.pdf

How much will the card cost?

Companies will charge an annual fee of up to \$30 per card.

The cards are free to people eligible for low-income help. ([See “Low-Income Credit,” p. 6](#))

Can I have more than one Medicare prescription discount card?

No. You can only have one Medicare discount drug card at a time. However, there are non-Medicare drug discount cards available, and you can have as many of those as you want--whether you have a Medicare card or not.

If you have a Medicare discount card *and* non-Medicare card(s), you cannot combine discounts from the cards on a single drug purchase. Only one discount can be used at a time.

If you're not satisfied with the Medicare discount card you have, you can switch to a different one under certain conditions. ([See "Switching Cards," p. 5](#))

How much will the Medicare prescription discount card save me?

Discounts will vary by card, but the average savings will be between 10% to 25% off the retail price of the drug. Your final cost for each prescription will depend on where you live and what pharmacy you use. Also, a company can change the discounts offered by its card at any time.

There are also other ways to save on prescription drug costs. See the SHIBA HelpLine publication *Paying for Prescription Drugs* to learn about other options.

Will the discount card cover all my prescription medicines?

Not all cards will cover all drugs. The list of drugs covered varies by card. You may not be able to find a card that gives discounts on all the medications you take. Some medications—such as high-cost drugs in limited supply, and those needing special administration—won't be covered by any card.

If you want a Medicare discount card but can't find one that covers all the medications you take, one approach is to choose the card that covers most of them. Or choose the one that covers the most costly drugs you take. If you are unsure about how to choose, consult a SHIBA HelpLine volunteer for assistance.

Can I use the Medicare prescription discount card at any pharmacy?

No. Not every pharmacy will honor every Medicare drug card. Each card sponsor will specify which pharmacies accept its card. Some will also offer mail-order. It's a good idea to contact your local pharmacy and ask them which cards they are accepting (if any).

How can I find out which cards cover my prescriptions?

You can compare drug prices and discount cards on the Medicare website at www.medicare.gov. Click on the link to “Prescription Drug and other Assistance Program” (PDAP). There you can enter the names of any prescription drugs you take, along with your zip code, and see the drug prices and discounts offered by each card sponsor in your area.

You may also call 1-800-MEDICARE for help in determining which discount card will give you the biggest benefit. Or call SHIBA HelpLine at 1-800-397-4422 for help.

Be aware that any company sponsoring a discount card can change its drug list at any time. Each company will have a toll-free phone number for you to call with questions about its card, discounts, or covered medications.

How do I decide which card is best?

The best card for you is the one that saves you the most money.

When considering a card, you'll need to find out:

- Which of *your* prescriptions it covers at a discount.
- Whether that card's discounts are better than those offered by other Medicare cards.
- Whether that card's discounts are better than other available non-Medicare prescription discount options.

To help you decide, do the following:

- List all the prescription medications you take, and note which are the most expensive.
- Research which card offers the best discounts on your most expensive medications.
- Research which card offers the best overall discount on all your medications.
- Find out which cards (if any) are accepted at your preferred pharmacy.

The following websites have information to help you decide which card, if any, is the right one for you:

www.insurance.wa.gov or www.medicare.gov

You can also call SHIBA HelpLine toll-free at 1-800-397-4422 with any questions you have about the Medicare prescription drug discount card, or any other prescription discount questions.

Be sure to check SHIBA HelpLine's *Paying for Prescription Drugs* to learn about other Rx discount options available to you.

If I move or travel, can I use my Medicare prescription drug discount card at the new location(s)?

Maybe. Every card will work throughout the state in which it is offered, but not all will work outside of the home state. Some cards will work in an area covering several states; some will work throughout the U.S. (but not in its territories).

If you travel or plan to relocate out of state, be sure to check whether your chosen card is one that will work outside of your home state.

None of the cards can be used to buy drugs from other countries.

Can I switch to a different discount card?

If you want to switch Medicare cards, you can apply for a new one during an open enrollment period between November 15 and December 31, 2004. You will be able to use your new card beginning January 1, 2005.

Outside of that open enrollment period, you can only switch to a different Medicare card under these conditions:

- You move to a state in which your discount card isn't offered.
- You join or leave a Medicare Advantage (previously called Medicare + Choice) plan.
- You enter or leave a long-term care facility.
- The private company stops offering your discount card.

If you switch cards, you will not get a refund of your enrollment fee for the first card. You will also pay whatever enrollment fee is charged for the new card (up to \$30).

How do I apply for a Medicare prescription drug discount card?

You can sign up for any Medicare prescription drug discount card program offered in your state any time between May 2004 and December 31, 2005.

Card sponsors will be mailing out application forms to all Medicare beneficiaries in May. **Don't sign up for the first card marketed to you.** There's no rush. Before you choose a card, research which card will offer you the best discounts, and be sure your choice is accepted at your pharmacy.

What is the low-income credit?

You can get the Medicare prescription drug discount card for **FREE** if your income is less than \$12,569 (single) or \$16,862 (married couple). Medicare will pay the card's enrollment fee, if any.

In addition, if you qualify for this credit, Medicare will pay 90% to 95% of your prescription drug costs, up to a maximum of \$600 per eligible person a year, in 2004 and again in 2005. Depending on your income, you will pay a 5% or 10% co-insurance for each purchase.

Even if you are income-eligible, you *cannot* get this assistance if you have prescription drug coverage from a current or former employer, Medicaid, Tri-Care or the Federal Employees Health Benefits Plan (FEHBP).

The \$600-per-year credit is added to your chosen Medicare prescription drug discount card. You can use the credit to pay for most prescription drugs, even those not on the formulary for your card.

How do I apply for the low-income credit?

Once you've chosen the discount card you want, tell the company sponsoring the card that you wish to apply for the low-income credit program. You will need to complete an enrollment form stating your income, family size, and any other prescription drug coverage you might have.

You *won't* have to show proof of your income, and there is no asset test (liquid assets—savings, stocks, etc—don't count) for the low-income assistance.

How will the low-income credit work?

If you qualify, Medicare will pay the card's annual enrollment fee (if any). If you already paid the fee, you'll get a refund from the company. The full \$600 credit for 2004 will be applied to the card, regardless of when in 2004 you applied. You'll get a new \$600 credit on your card at the beginning of 2005.

Any credit left over at the end of 2004 will be rolled over to next year and added to the \$600 credit for 2005.

If you use up your \$600 credit before the end of 2004, the card can still be used for whatever standard discounts it offers. A new \$600 credit will still begin in 2005.

What if I am denied the low-income credit?

If you apply for the \$600 credit and are denied, the sponsoring company will send you a letter explaining how to appeal Medicare's decision. You should follow the instructions carefully. If Medicare decides that you do qualify for the \$600 credit and you have already paid your annual enrollment fee, you will get a full refund.

What if I have questions or need help filling out forms?

SHIBA HelpLine has trained volunteers ready to help you fill out the forms. These volunteers can also answer questions about the Medicare prescription drug discount cards, and provide information on other options to help pay for prescription drugs. Call 1-800-397-4422.

What if I think a card is a fraud, or I have a complaint?

You should review all card applications carefully. If the card doesn't have the Medicare-approved seal, the card could be a fraud. If you have concerns or complaints about a sponsoring company, or think you are being treated unfairly, you can contact 1-800-MEDICARE or the Washington State Attorney General's office at 1-800-551-4636.

SHIBA HelpLine

Statewide Health Insurance Benefits
Advisors HelpLine

1-800-397-4422

TDD: 1-360-664-3154

Expertly-trained volunteer counselors assist and advocate for consumers regarding **health insurance, health care access, and prescription access**. Individualized and group assistance offered in Washington communities statewide, educating on rights and options, private insurance, public programs, policies, billings, appeals, and more.

www.insurance.wa.gov/consumers/shiba/default.asp

Consumer Advocacy

Insurance Commissioner's
Toll-Free Hot Line

1-800-562-6900

TDD: 1-360-586-0241

Expert professional staff answer questions and educate consumers regarding problems with any kind of insurance or insurance company—**auto, life, disability, health, homeowner/tenant, or other**. Staff have the authority to investigate complaints against insurers and agents, and enforce insurance law on behalf of consumers.

www.insurance.wa.gov

All consumer protection services and resources are confidential, impartial, and offered free of charge to Washington state consumers of all ages.